



July 12, 2013

Mr. Anthony N. Katsakis
President
Springfield Beauty Academy
4223 Annandale Road
Annandale, VA 22003-3016

***Overnight Mail, Tracking #
1Z A54 67Y 01 9025 2946***

RE: **Final Program Review Determination
OPE ID: 03096500
PRCN: 201310328147**

Dear Mr. Katsakis:

The U.S. Department of Education's (Department's) School Participation Team - Philadelphia issued a program review report on May 31, 2013 covering Springfield Beauty Academy's (Springfield) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 award years. The institution's final response was received on July 5, 2013.

The School Participation Team - Philadelphia has reviewed Springfield's response to the Program Review Report. A copy of the program review report (and related attachments) and Springfield's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Springfield upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Springfield's response has resolved all findings. In addition Springfield has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, Springfield may consider the program review closed with no further action required.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

Springfield Beauty Academy

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201310328147

Page 2 of 2

If you have any questions please call Terry McKenzie at 202-377-4212.

Sincerely,

(b)(6); (b)(7)(C)

Nancy Paula Gifford

Division Director

Enclosure: Program Review Report (with attachments)

Springfield Response to the Program Review Report

cc: Anthony Catsclides, Financial Aid Administrator
National Accrediting Commission of Cosmetology Arts and Sciences
VA board of Cosmetology



May 31, 2013

Mr. Anthony N. Katsakis
President
Springfield Beauty Academy
4223 Annandale Road
Annandale, VA 22003-3016

*Overnight Mail. Tracking #
1Z A54 67Y 01 9566 9925*

RE: Program Review Report
OPE ID: 03096500
PRCN: 201310328147

Dear Mr. Katsakis:

From December 17, 2012 through December 21, 2012, Terry McKenzie a representative of the U. S. Department of Education conducted a review of Springfield Beauty Academy's (Springfield) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by Springfield. The response should include a brief, written narrative for each finding that clearly states Springfield's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Springfield must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Springfield upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Terry McKenzie of this office within 30 calendar days of receipt of this letter.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Terry McKenzie at 202-377-4212.

Sincerely,

(b)(6)

John S. Loreng
Compliance Manager

cc: Anthony Catselides, Financial Aid Administrator

Enclosure:
Program Review Report

Prepared for
Springfield Beauty Academy

U.S. DEPARTMENT OF EDUCATION
Student Aid Programs Administration

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID: 03096500
PRCN: 201310328147

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division- Philadelphia

Program Review Report

May 31, 2013

Table of Contents

	Page
A. Institutional Information.....	2
B. Scope of Review.....	3
C. Finding	4
Finding #1 Gainful Employment Disclosures Requirement Not Met	4

Springfield Beauty Academy
OPED: 03096500
PRCN: 201310328147

Page 3

A. Institutional Information

Springfield Beauty Academy
4223 Annandale Road
Annandale, VA 22003-3016

Type: Proprietary

Highest Level of Offering: Non Degree 1 year

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences

Current Student Enrollment: 70 (2012-2013)

% of Students Receiving Title IV: 92% (2012-2013)

Title IV Participation 2012-2013:

Federal Pell Grant	\$258,942
William D. Ford Federal Direct Loan (Direct Loan)	<u>\$113,012</u>
Total	\$371,954

Default Rate DL:	2010 12.1%
	2009 8.8%
	2008 3.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review at Springfield Beauty Academy (Springfield) from December 17, 2012 to December 21, 2012. The review was conducted by Terry McKenzie.

The focus of the review was to determine Springfield's compliance with the statutes and federal regulations as they pertain to the consumer information disclosures for gainful employment programs. The review consisted of an examination of Springfield's Catalog, brochures, and WEB site.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Springfield's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Springfield of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, one area of noncompliance was noted. The findings of noncompliance is referenced to the applicable statutes and regulations and specify the actions to be taken by Springfield to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding #1: Gainful Employment Disclosures Requirement Not Met

Citation:

An institution must provide prospective students with specific data for each eligible program that prepares students for gainful employment. The institution must provide the different occupations, including the name of the occupations and the Standard Occupational Classification (SOC) codes for which the program prepares students. The institution must include links to profiles of those occupations on the O* NET website, or its successor site. If the number of occupations related to the program is more than ten, the institution may provide links to a representative sample of occupations in which its graduates typically find employment. 34 C.F.R. 668.6(b)(1)(i).

The institution must provide the on-time graduation rate for students completing the program. 34 C.F.R. § 668.6(b)(1)(ii).

The institution must specify the tuition and fees it charges a student for completing the program within normal time. It must include the typical costs for books and supplies (unless those costs are included as part of tuition and fees), and the cost of room and board, if applicable. The institution may include information on other costs, such as transportation and living expenses, but it must provide a Web link, or access, to the program cost information the institutions makes available under 34 C.F.R. § 668.6(b)(1)(iii).

The institution must disclose the placement rate for students completing the program, as determined under a methodology developed by the National Center for Education Statistics (NCES) when that rate is available. In the meantime, beginning on July 1, 2011, if the institution is required by its accrediting agency or State to calculate a placement rate on a program basis, it must disclose the rate and identify the accrediting agency or State agency under whose requirements the rate was calculated. If the accrediting agency or State requires an institution to calculate a placement rate at the institutional level or other than a program basis, the institution must use the accrediting agency or State methodology to calculate a placement rate for the program and disclose that rate. 34 C.F.R. § 668.6(b)(1)(iv).

The institution must provide the median loan debt incurred by students who completed the program as provided by the Secretary. The institution must identify separately the median loan debt from Title IV, HEA program loans, and the median loan debt from private educational loans and institutional financing plans. 34 C.F.R. § 668.6(b)(1)(v).

The institution must make all of this information available to prospective students through its promotional materials and through its website. 34 C.F.R. § 668.6(b)(2)(i).

Noncompliance:

Springfield failed to disclose certain information about its GE programs to its prospective students. Specifically, Springfield failed to disclose: the names and SOC codes of the occupations for which its programs prepares students; its on-time graduation rates; its placement rates; and the median loan debt incurred by its students.

In addition, Springfield did not include the URL or a live link to a Web page containing the GE disclosures in its promotional material..

Although, Springfield include information about its tuition and fees in its handbook, this information must also be included on the institution's Web site.

An institution's failure to provide GE program disclosure information deprives students of the opportunity to make an informed decision.

Required Action:

Springfield must update its website and promotional material with the required GE disclosure data. Springfield must develop policies and procedures to ensure that GE disclosures are provided to prospective students. Finally, Springfield must provide a copy of its GE disclosures policies and procedures and a copy of the updated disclosures data from its Web site with its responses to the program review report.

Springfield Beauty Academy
4223 Annandale Rd.
Annandale Va. 22003
703-256-5662

June 28, 2013

Mr. Anthony N. Katsakis, President
Springfield Beauty Academy
4223 Annandale Road
Annandale Va. 22003

RE: Program Review Report
POE ID: 03096500
PRCN: 201310328147

Dear Mr. Terry McKenzie,

In response to the findings: Please be advised of the new copy of the catalog that includes the updated index for Gainful Employment.

Our institution has provided prospective student with the specific data to prepare students for gainful employment.

The institution also has provided the different occupations (related to our school with one program) including the name of the occupation and the Standard Occupational Classification (SOC) codes for which programs prepare students.

This information provides students with GE program disclosure information to give the student an opportunity to make an informed decision.

Institution has included links to profiles of those occupations on the O*NET website.

The promotional material that was used in the past is obsolete; we are currently using our catalog.

The on-time graduation rate for our students completing the program is currently 78%.

Our institution does not offer housing through our school. We are here to help in any way with housing by providing students with a list of housing in the area.

Updated on the website is the tuition and fees, and cost of kits and books.

Please note that a hard copy of the newly printed catalog with the new prices (effective August 1, 2013)
A hardcopy of this letter will also be sent.

Thank you,



Anthony N. Katsakis